



Department of Justice

FOR IMMEDIATE RELEASE
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AT
(202) 616-2771
TDD (202) 514-1888

**FIRST JOINT ANTITRUST PROSECUTION INVOLVING JUSTICE DEPARTMENT
AND A STATE WILL CHALLENGE PROPOSED FLORIDA HOSPITAL MERGER**

WASHINGTON, D.C. -- In the first joint antitrust prosecution involving the Department of Justice and a State, The Department's Antitrust Division and the Florida Attorney General today filed a lawsuit challenging a proposed merger between two central Florida hospitals that is likely to lead to higher prices and poorer services for consumers in North Pinellas County. If the proposed acquisition were to occur, the combined hospitals would dominate fast growing North Pinellas County with a market share of nearly 60 percent.

The civil antitrust suit was filed against Morton Plant Health System Inc. and Trustees of Mease Hospital, the two largest general acute care hospital firms in North Pinellas County. Morton Plant Health System Inc. operates Morton Plant Hospital in Clearwater, Florida. Mease operates two hospitals, in Dunedin and Safety Harbor, Florida.

The Department's opposition to the proposed merger was announced jointly by Assistant Attorney General Anne K. Bingaman, head of the Antitrust Division, Larry H. Colleton, United States

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Attorney for the Middle District of Florida, and Florida Attorney General Robert A. Butterworth.

"The proposed merger will likely result in decreased competition so that the residents and other health care consumers in the North Pinellas County area would suffer higher prices and reduced services if the acquisition were to occur," Bingaman said.

"The merger would create a dominant provider of general acute care hospital services, reducing competition for managed care providers that have been instrumental in fighting the war on escalating hospital costs. Competition is the best way to ensure that we contain spiraling health care costs. Otherwise, we can't be sure savings are in fact passed on to consumers," she added.

Bingaman said that this unprecedented antitrust prosecution involving the Justice Department and a State "exemplifies the close cooperation between federal and state antitrust enforcement agencies which this Administration has emphasized. This case is an example of how federal-state cooperation can be used to prevent mergers that cause consumers to pay higher prices," she added.

Florida Attorney General Butterworth praised the "close and productive interaction of attorneys from federal and state staffs in this lengthy investigation."

The complaint alleges that the merger will substantially lessen competition in the provision of acute inpatient hospital

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services in the North Pinellas County area. In 1993, total net inpatient revenues for all North Pinellas general acute care hospitals were in excess of \$300 million.

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